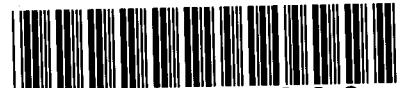


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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

MIKE GLEASON, Chairman  
WILLIAM A. MUNDELL  
JEFF HATCH-MILLER  
KRISTIN K. MAYES  
GARY PIERCE

IN THE MATTER OF THE APPLICATION OF )  
GRAHAM COUNTY UTILITIES, INC. FOR )  
APPROVAL OF LONG TERM DEBT. )  
\_\_\_\_\_ )

DOCKET NO. W-02527A-06-0505

**COMPLIANCE**

In compliance with Decision No. 69245 (January 19, 2007), Graham County  
Utilities, Inc. hereby files an annual report on members' equity.

RESPECTFULLY SUBMITTED this 15<sup>th</sup> day of April 2008.

By

John Wallace  
Grand Canyon State Electric Cooperative Association  
120 North 44<sup>th</sup> Street, Suite 100  
Phoenix, AZ 85034

Original and thirteen (13) copies of  
Graham County Utilities, Inc.'s Equity Report  
filed this 15<sup>th</sup> day of April, 2008 with:

DOCKET CONTROL  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Arizona Corporation Commission

**DOCKETED**

APR 15 2008

DOCKETED BY

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AZ CORP COMMISSION  
DOCKET CONTROL

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**GRAHAM COUNTY UTILITIES, INC..  
COMBINED WATER AND GAS DIVISIONS  
2007 ANNUAL EQUITY ACCUMULATION REPORT  
Decision No. 69245**

LINE NOS.	YEARS	FOR FISCAL YEAR ENDED SEPTEMBER 30th	
1		Annual Revenues	Cumulative Revenues
2	2006	4,254,119	4,254,119
3	2007	FYE 4,241,224	8,495,343
4			
5			

LINE NOS.	YEARS	FOR FISCAL YEAR ENDED SEPTEMBER 30th	
6		Equity Balance as of 9/30/05	Annual Equity Balances
7	2005	154,258 (Base Period)	
8	2006	341,746	
9	2007	519,672	
10			

Compliance Analysis			
LINE NOS.	Calculation of 2% Equity Goal Requirement		
11	2007 Equity Balance		519,672
12	Less Base Period Balance		(154,258)
13	Actual Increase in Equity		365,414
14			
15	2007 Cumulative Revenue		8,495,343
16	Multiplied by		0.02
17	Two Percent Equity Goal		169,907
18	If Line 13 is greater than Line 17, the 2% Equity Increase Goal has been met go to Line 22		
19	If Line 13 is less than Line 17, write "Equity Increase Goal Not Achieved" in the space to the right. Go to Line 20		
20	If the Cooperative has been granted a waiver from filing a rate application, write "Waiver Granted and Attached" in the space to the right and attach the Staff memorandum granting approval and go to Line 22. Otherwise, go to Line 21		
21	The Company is required to file a rate application by June 30th as a compliance item. If a rate application has been filed, write the Docket No. for the rate application in the space to the right. Otherwise, write "Rate Application Required by June 30th"		
22	If Line 13 is less than Line 17, write "Equity Increase Goal Not Achieved" in the space to the right. Go to Line 20		In Compliance
23	Is Members' Equity at least 30% of total equity? Write "Yes" or "No" in the space to the right. If "Yes", Attach support, no Further Filings are required.		No